



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

May 25, 2007

Gloria Molina
First District

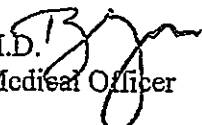
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Fourth District

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Fifth District

TO: Health Deputies
Homeless Deputies

FROM: Bruce A. Chernof, M.D. 
Director and Chief Medical Officer

SUBJECT: **NOTICE OF INTENT TO ENTER INTO A SOLE
SOURCE AGREEMENT WITH JWCH INSTITUTE,
INC. FOR RECUPERATIVE CARE SERVICES**

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

Robert G. Splawn, MD
Senior Medical Director

This is to advise you that the Department of Health Services (DHS) intends to negotiate a contract with JWCH Institute, Inc. (JWCH) for fifteen (15) recuperative care beds for homeless clients discharged from DHS hospitals. JWCH will provide post hospital care to homeless individuals who are newly discharged from DHS hospitals and who would benefit from a lower level of assistance. Clients will receive shelter, meals, and non-licensed health oversight while they complete their convalescence.

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The 15 recuperative care beds will be located at the Bell Shelter in South Los Angeles. In addition, the Hospital Association of Southern California and National Health Foundation are in negotiations with private hospitals and foundations for funding of an additional 30 recuperative care beds. JWCH will provide the medical and administrative oversight for all of the new recuperative care beds and will continue to manage the existing 45 recuperative care beds in Skid Row. As more recuperative care beds become available, DHS will be able to access beds at any of the JWCH recuperative care sites in order to best meet the needs of our patients. It is anticipated that there will be a period of time during which remodeling will occur at the Bell Shelter. During this period, it is anticipated that the beds will be temporarily located at the Weingart Center in Skid Row.

*To improve health
through leadership,
service and education.*

BACKGROUND

On April 4, 2006, the Board of Supervisors approved the \$96.000 million dollar Homeless Prevention Initiative (HPI). The Initiative included \$80 million for Homeless and Housing Projects (HHP) to be developed by the Chief Administrative Office (CAO) in collaboration with County department representatives and other community stake holders. On September 26, 2006 the Board approved the recommended spending plan for HHP, which included \$1.200 million for DHS to implement 15 recuperative care beds. In addition, on April 3, 2007, the Chief Administrative Officer (CAO) invoked his delegation of authority to increase the \$1.200 million for recuperative care services by 10 percent or \$0.120 million.



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The proposed sole source agreement with JWCH will provide the following services for recuperative care clients: 1) semi-private shelter bed that can be utilized 24 hours per day; 2) all of the associated services of the shelter facility such as meals and clean linens; 3) case management; and 4) non-licensed health oversight to address eligible medical needs such as wound care, medication monitoring, and assistance with activities of daily living.

JWCH is recommended as the sole source provider for these services because they are the only service provider in Los Angeles County that operates homeless recuperative care services. The 15 new recuperative care beds will be implemented at the Bell Shelter. JWCH Institute has a satellite medical clinic in close proximity to the Bell Shelter and they currently provide on-site services at the shelter.

FISCAL IMPACT

The maximum County obligation under the sole source agreement with JWCH Institute, Inc. is \$1.320 million. On September 26, 2006 the Board approved the recommended spending plan for HHP which included \$1.200 million for DHS to implement 15 recuperative care beds. On December 12, 2006 the Board approved the Request for Appropriation Adjustments for the participating County departments, which included a \$1.200 million increase to DHS' operating budget for the discharge of hospital patients to recuperative care. On April 3, 2007, the Board was notified of the CAO's intent to invoke his delegation of authority and increase the \$1.200 million by 10 percent or \$0.120 million. The CAO will prepare an appropriation adjustment for \$0.120 million to increase the DHS operating budget.

DHS will request delegated authority for the Director of Health Services or his designee to sign amendments to the agreement with JWCH that authorize an increase in the contract maximum obligation of no more than fifteen percent (15%), that will not exceed a maximum obligation of \$0.198 million, if the County requires additional services. This adjustment will be cumulative for the term of the contract and contingent upon available funding. DHS will obtain the approval of the Chief Administrative Office (CAO) and County Counsel prior to executing such amendment, and the Director will notify the Board and the CAO in writing within ten business days after execution.

The Department is planning to submit a letter to the Board of Supervisors requesting approval of the sole source agreement with JWCH Institute, Inc. within the next few weeks.

If you have any questions or need further information, please let me know.

BAC:ct

c: Darolyn Jensen
Carlos Jackson
Lari Sheehan
Cheri Todoroff